



Idaho Public Utilities Commission

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Paul Kjellander, Commissioner
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Case No. AVU-E-14-07 and AVU-G-14-02, Order No. 33131

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www.puc.idaho.gov

Commission begins prudence review of Avista electric, gas conservation programs

BOISE (Sept. 19, 2014) – Avista Utilities is seeking a determination from the Idaho Public Utilities Commission that \$7.63 million it spent during 2013 on electric and natural gas efficiency programs was prudently incurred.

Money spent on electric and gas conservation programs must be shown to be cost-effective in order to be funded by the Energy Efficiency Rider paid by Avista's customers. Residential customers currently pay 0.245 cents per kilowatt-hour for the programs. The prudence review will not impact rates.

All three of Idaho's major investor-owned utilities have "efficiency riders" that pay for programs to incent either the efficient use of electricity or reduce demand on a utility's generation system. The programs must pass multiple cost efficiency tests that demonstrate that the savings realized are greater than the programs' costs. Further, the programs must benefit all customers, not just those who participate in them.

Avista claims its energy efficiency savings for 2013 were 25,899 megawatt-hours, well over its target of 19,009 MWh. Reduced demand on its system is 122 average megawatts. Company-sponsored conservation is reducing retail loads by 10.6%, Avista claims. Its gas savings are 51,722 terms.

About 64% of the \$7.63 million Avista spent on electric and gas conservation programs was paid out to customers in direct benefits, primarily for installation of electric or gas efficient appliances. Some of the energy efficiency programs include installation of high-efficiency heat pumps, ductless heat pumps and water heaters; ceiling, attic and floor insulation; compact-fluorescent lighting exchange programs, refrigerator and freezer recycling, home energy audits and low-income weatherization assistance.

Avista contracted with a third-party, Cadmus, to evaluate, measure and verify the utility's conservation programs.

Parties who wish to intervene in the commission's prudence review for the purpose of presenting evidence or cross-examining parties must do so by Oct. 2. Later, the commission will announce comment deadlines for individual customers who want to comment.

To read documents related to this case, including Avista's 2013 Demand-Side Management Report, go to www.puc.idaho.gov and click on "Open Cases" under the Electric heading and scroll down to Case No. AVU-E-14-07. For the report, click on "Folsom Exhibit 1, DSM Report."

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